

ASSEMBLY BILL

No. 2484

Introduced by Assembly Member Caballero

February 21, 2008

An act to amend Sections 56021, 56654, 56824.10, and 56824.12 of the Government Code, and to amend Sections 99, 99.01, 99.03, and 99.2 of the Revenue and Taxation Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2484, as introduced, Caballero. Local government: special districts.

(1) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 defines “change of organization” to mean, among other things, a district formation, a consolidation of cities or special districts, or a merger or establishment of a subsidiary district.

This bill would include within the definition of “change of organization” a proposal for the exercise of new or different functions or classes of services, or the divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district.

The bill would also make various conforming changes.

(2) Existing law authorizes a proposal for a change of organization or a reorganization to be made by the adoption of a resolution of application by the legislative body of an affected local agency.

This bill would require a change of organization proposal that involves the exercise of new or different functions or classes of services, or the divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district to be initiated only by the legislative body of that special district.

(3) Existing law requires, in addition to the proposal for a change of organization or reorganization, that the legislative body of a special district submit a plan for services, including, among other things, a plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries.

This bill would also require the legislative body of a special district to include in the plan a written summary of whether the new or different function or class of services, or divestiture of the power to provide particular functions or classes of services within all or part of the jurisdictional boundaries of a special district, will involve the activation or divestiture of the power to provide a particular service or services, service function or functions, or class of service or services.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 56021 of the Government Code is
2 amended to read:

3 56021. "Change of organization" means any of the following:

- 4 (a) A city incorporation.
- 5 (b) A district formation.
- 6 (c) An annexation to, or detachment from, a city or district.
- 7 (d) A disincorporation of a city.
- 8 (e) A district dissolution.
- 9 (f) A consolidation of cities or special districts.
- 10 (g) A merger or establishment of a subsidiary district.

11 *(h) A proposal for the exercise of new or different functions or*
12 *classes of services, or divestiture of the power to provide particular*
13 *functions or classes of services, within all or part of the*
14 *jurisdictional boundaries of a special district.*

15 SEC. 2. Section 56654 of the Government Code is amended
16 to read:

17 56654. (a) A proposal for a change of organization or a
18 reorganization may be made by the adoption of a resolution of
19 application by the legislative body of an affected local agency,
20 *except as provided in subdivision (b).*

21 *(b) Notwithstanding Section 56700, a proposal for a change of*
22 *organization that involves the exercise of new or different functions*
23 *or classes of services, or the divestiture of the power to provide*

1 *particular functions or classes of services, within all or part of the*
2 *jurisdictional boundaries of a special district, shall only be initiated*
3 *by the legislative body of that special district.*

4 ~~(b)~~

5 (c) At least 20 days before the adoption of the resolution, the
6 legislative body may give mailed notice of its intention to adopt
7 a resolution of application to the commission and to each interested
8 agency and each subject agency. The notice shall generally describe
9 the proposal and the affected territory.

10 ~~(e)~~

11 (d) Except for the provisions regarding signers and signatures,
12 a resolution of application shall contain all of the matters specified
13 for a petition in Section 56700 and shall be submitted with a plan
14 for services prepared pursuant to Section 56653.

15 SEC. 3. Section 56824.10 of the Government Code is amended
16 to read:

17 56824.10. Commission proceedings for the exercise of new or
18 different functions or classes of services ~~by or divestiture of the~~
19 ~~power to provide particular functions or classes of services, within~~
20 ~~all or part of the jurisdictional boundaries of a special districts~~
21 ~~district, pursuant to subdivision (b) of Section 56654,~~ may be
22 initiated by a resolution of application in accordance with this
23 article.

24 SEC. 4. Section 56824.12 of the Government Code is amended
25 to read:

26 56824.12. (a) A proposal by a special district to provide a new
27 or different function or class of services ~~within its or divestiture~~
28 ~~of the power to provide particular functions or classes of services,~~
29 ~~within all or part of the jurisdictional boundaries of a special~~
30 ~~district, pursuant to subdivision (b) of Section 56654,~~ shall be
31 made by the adoption of a resolution of application by the
32 legislative body of the special district and shall include all of the
33 matters specified for a petition in Section 56700, and be submitted
34 with a plan for services prepared pursuant to Section 56653. The
35 plan for services for purposes of this article shall also include all
36 of the following information:

37 (1) The total estimated cost to provide the new or different
38 function or class of services within the special district's
39 jurisdictional boundaries.

1 (2) The estimated cost of the new or different function or class
2 of services to customers within the special district's jurisdictional
3 boundaries. The estimated costs may be identified by customer
4 class.

5 (3) An identification of existing providers, if any, of the new
6 or different function or class of services proposed to be provided
7 and the potential fiscal impact to the customers of those existing
8 providers.

9 ~~(4) A plan for financing the establishment of written summary~~
10 ~~of whether the new or different function or class of services within~~
11 ~~the special district's or divestiture of the power to provide~~
12 ~~particular functions or classes of services, within all or part of the~~
13 ~~jurisdictional boundaries of a special district, pursuant to~~
14 ~~subdivision (b) of Section 56654, will involve the activation or~~
15 ~~divestiture of the power to provide a particular service or services,~~
16 ~~service function or functions, or class of service or services.~~

17 (5) A plan for financing the establishment of the new or different
18 function of class of services within the special district's
19 jurisdictional boundaries.

20 ~~(5)~~

21 (6) Alternatives for the establishment of the new or different
22 functions or class of services within the special district's
23 jurisdictional boundaries.

24 (b) The clerk of the legislative body adopting a resolution of
25 application shall file a certified copy of that resolution with the
26 executive officer. Except as provided in subdivision (c), the
27 commission shall process resolutions of application adopted
28 pursuant to this article in accordance with Section 56824.14.

29 (c) (1) Prior to submitting a resolution of application pursuant
30 to this article to the commission, the legislative body of the special
31 district shall conduct a public hearing on the resolution. Notice of
32 the hearing shall be published pursuant to Sections 56153 and
33 56154.

34 (2) Any affected local agency, affected county, or any interested
35 person who wishes to appear at the hearing shall be given an
36 opportunity to provide oral or written testimony on the resolution.

37 SEC. 5. Section 99 of the Revenue and Taxation Code is
38 amended to read:

39 99. (a) For the purposes of the computations required by this
40 chapter:

1 (1) In the case of a jurisdictional change *of organization*, other
2 than a city incorporation or a formation of a district as defined in
3 Section 2215, the auditor shall adjust the allocation of property
4 tax revenue determined pursuant to Section 96 or 96.1, or the
5 annual tax increment determined pursuant to Section 96.5, for local
6 agencies whose service area or service responsibility would be
7 altered by the jurisdictional change *of organization*, as determined
8 pursuant to subdivision (b) or (c).

9 (2) In the case of a city incorporation, the auditor shall assign
10 the allocation of property tax revenues determined pursuant to
11 Section 56810 of the Government Code and the adjustments in tax
12 revenues that may occur pursuant to Section 56815 of the
13 Government Code to the newly formed city or district and shall
14 make the adjustment as determined by Section 56810 in the
15 allocation of property tax revenue determined pursuant to Section
16 96 or 96.1 for each local agency whose service area or service
17 responsibilities would be altered by the incorporation.

18 (3) In the case of a formation of a district as defined in Section
19 2215, the auditor shall assign the allocation of property tax
20 revenues determined pursuant to Section 56810 of the Government
21 Code to the district and shall make the adjustment as determined
22 by Section 56810 in the allocation of property tax revenue
23 determined pursuant to Section 96 or 96.1 for each local agency
24 whose service area or service responsibilities would be altered by
25 the formation.

26 (b) Upon the filing of an application or a resolution pursuant to
27 the Cortese-Knox-Hertzberg Local Government Reorganization
28 Act of 2000 (Division 3 (commencing with Section 56000) of Title
29 5 of the Government Code), but prior to the issuance of a certificate
30 of filing, the executive officer shall give notice of the filing to the
31 assessor and auditor of each county within which the territory
32 subject to the jurisdictional change *of organization* is located. This
33 notice shall specify each local agency whose service area or
34 responsibility will be altered by the jurisdictional change *of*
35 *organization*.

36 (1) (A) The county assessor shall provide to the county auditor,
37 within 30 days of the notice of filing, a report which identifies the
38 assessed valuations for the territory subject to the jurisdictional
39 change *of organization* and the tax rate area or areas in which the
40 territory exists.

1 (B) The auditor shall estimate the amount of property tax
2 revenue generated within the territory that is the subject of the
3 jurisdictional change *of organization* during the current fiscal year.

4 (2) The auditor shall estimate what proportion of the property
5 tax revenue determined pursuant to paragraph (1) is attributable
6 to each local agency pursuant to Section 96.1 and Section 96.5.

7 (3) Within 45 days of notice of the filing of an application or
8 resolution, the auditor shall notify the governing body of each local
9 agency whose service area or service responsibility will be altered
10 by the amount of, and allocation factors with respect to, property
11 tax revenue estimated pursuant to paragraph (2) that is subject to
12 a negotiated exchange.

13 (4) Upon receipt of the estimates pursuant to paragraph (3) the
14 local agencies shall commence negotiations to determine the
15 amount of property tax revenues to be exchanged between and
16 among the local agencies. This negotiation period shall not exceed
17 60 days.

18 The exchange may be limited to an exchange of property tax
19 revenues from the annual tax increment generated in the area
20 subject to the jurisdictional change *of organization* and attributable
21 to the local agencies whose service area or service responsibilities
22 will be altered by the proposed jurisdictional change *of*
23 *organization*. The final exchange resolution shall specify how the
24 annual tax increment shall be allocated in future years.

25 (5) In the event that a jurisdictional change *of organization*
26 would affect the service area or service responsibility of one or
27 more special districts, the board of supervisors of the county or
28 counties in which the districts are located shall, on behalf of the
29 district or districts, negotiate any exchange of property tax
30 revenues. Prior to entering into negotiation on behalf of a district
31 for the exchange of property tax revenue, the board shall consult
32 with the affected district. The consultation shall include, at a
33 minimum, notification to each member and executive officer of
34 the district board of the pending consultation and provision of
35 adequate opportunity to comment on the negotiation.

36 (6) Notwithstanding any other provision of law, the executive
37 officer shall not issue a certificate of filing pursuant to Section
38 56658 of the Government Code until the local agencies included
39 in the property tax revenue exchange negotiation, within the 60-day
40 negotiation period, present resolutions adopted by each such county

1 and city whereby each county and city agrees to accept the
2 exchange of property tax revenues.

3 (7) In the event that the commission modifies the proposal or
4 its resolution of determination, any local agency whose service
5 area or service responsibility would be altered by the proposed
6 jurisdictional change *of organization* may request, and the
7 executive officer shall grant, 15 days for the affected agencies,
8 pursuant to paragraph (4) to renegotiate an exchange of property
9 tax revenues. Notwithstanding the time period specified in
10 paragraph (4), if the resolutions required pursuant to paragraph
11 (6) are not presented to the executive officer within the 15-day
12 period, all proceedings of the jurisdictional change *of organization*
13 shall automatically be terminated.

14 (8) In the case of a jurisdictional change that consists of a city's
15 qualified annexation of unincorporated territory, an exchange of
16 property tax revenues between the city and the county shall be
17 determined in accordance with subdivision (e) if that exchange of
18 revenues is not otherwise determined pursuant to either of the
19 following:

20 (A) Negotiations completed within the applicable period or
21 periods as prescribed by this subdivision.

22 (B) A master property tax exchange agreement among those
23 local agencies, as described in subdivision (d).

24 For purposes of this paragraph, a qualified annexation of
25 unincorporated territory means an annexation, as so described, for
26 which an application or a resolution was filed on or after January
27 1, 1998, and on or before January 1, 2010.

28 (9) No later than the date on which the certificate of completion
29 of the jurisdictional change *of organization* is recorded with the
30 county recorder, the executive officer shall notify the auditor or
31 auditors of the exchange of property tax revenues and the auditor
32 or auditors shall make the appropriate adjustments as provided in
33 subdivision (a).

34 (c) Whenever a jurisdictional change *of organization* is not
35 required to be reviewed and approved by a local agency formation
36 commission, the local agencies whose service area or service
37 responsibilities would be altered by the proposed change *of*
38 *organization*, shall give notice to the State Board of Equalization
39 and the assessor and auditor of each county within which the
40 territory subject to the jurisdictional change *of organization* is

1 located. This notice shall specify each local agency whose service
2 area or responsibility will be altered by the jurisdictional change
3 *of organization* and request the auditor and assessor to make the
4 determinations required pursuant to paragraphs (1) and (2) of
5 subdivision (b). Upon notification by the auditor of the amount
6 of, and allocation factors with respect to, property tax subject to
7 exchange, the local agencies, pursuant to the provisions of
8 paragraphs (4) and (6) of subdivision (b), shall determine the
9 amount of property tax revenues to be exchanged between and
10 among the local agencies. Notwithstanding any other provision of
11 law, no such jurisdictional change *of organization* shall become
12 effective until each county and city included in these negotiations
13 agrees, by resolution, to accept the negotiated exchange of property
14 tax revenues. The exchange may be limited to an exchange of
15 property tax revenue from the annual tax increment generated in
16 the area subject to the jurisdictional change *of organization* and
17 attributable to the local agencies whose service area or service
18 responsibilities will be altered by the proposed jurisdictional change
19 *of organization*. The final exchange resolution shall specify how
20 the annual tax increment shall be allocated in future years. Upon
21 the adoption of the resolutions required pursuant to this section,
22 the adopting agencies shall notify the auditor who shall make the
23 appropriate adjustments as provided in subdivision (a). Adjustments
24 in property tax allocations made as the result of a city or library
25 district withdrawing from a county free library system pursuant
26 to Section 19116 of the Education Code shall be made pursuant
27 to Section 19116 of the Education Code, and this subdivision shall
28 not apply.

29 (d) With respect to adjustments in the allocation of property
30 taxes pursuant to this section, a county and any local agency or
31 agencies within the county may develop and adopt a master
32 property tax transfer agreement. The agreement may be revised
33 from time to time by the parties subject to the agreement.

34 (e) (1) An exchange of property tax revenues that is required
35 by paragraph (8) of subdivision (b) to be determined pursuant to
36 this subdivision shall be determined in accordance with all of the
37 following:

38 (A) The city and the county shall mutually select a third-party
39 consultant to perform a comprehensive, independent fiscal analysis,
40 funded in equal portions by the city and the county, that specifies

1 estimates of all tax revenues that will be derived from the annexed
2 territory and the costs of city and county services with respect to
3 the annexed territory. The analysis shall be completed within a
4 period not to exceed 30 days, and shall be based upon the general
5 plan or adopted plans and policies of the annexing city and the
6 intended uses for the annexed territory. If, upon the completion of
7 the analysis period, no exchange of property tax revenues is agreed
8 upon by the city and the county, subparagraph (B) shall apply.

9 (B) The city and the county shall mutually select a mediator,
10 funded in equal portions by those agencies, to perform mediation
11 for a period of not to exceed 30 days. If, upon the completion of
12 the mediation period, no exchange of property tax revenues is
13 agreed upon by the city and the county, subparagraph (C) shall
14 apply.

15 (C) The city and the county shall mutually select an arbitrator,
16 funded in equal portions by those agencies, to conduct an advisory
17 arbitration with the city and the county for a period of not to exceed
18 30 days. At the conclusion of this arbitration period, the city and
19 the county shall each present to the arbitrator its last and best offer
20 with respect to the exchange of property tax revenues. The
21 arbitrator shall select one of the offers and recommend that offer
22 to the governing bodies of the city and the county. If the governing
23 body of the city or the county rejects the recommended offer, it
24 shall do so during a public hearing, and shall, at the conclusion of
25 that hearing, make written findings of fact as to why the
26 recommended offer was not accepted.

27 (2) Proceedings under this subdivision shall be concluded no
28 more than 150 days after the auditor provides the notification
29 pursuant to paragraph (3) of subdivision (b), unless one of the
30 periods specified in this subdivision is extended by the mutual
31 agreement of the city and the county. Notwithstanding any other
32 provision of law, except for those conditions that are necessary to
33 implement an exchange of property tax revenues determined
34 pursuant to this subdivision, the local agency formation
35 commission shall not impose any fiscal conditions upon a city's
36 qualified annexation of unincorporated territory that is subject to
37 this subdivision.

38 (f) Except as otherwise provided in subdivision (g), for the
39 purpose of determining the amount of property tax to be allocated
40 in the 1979–80 fiscal year and each fiscal year thereafter for those

1 local agencies that were affected by a jurisdictional change of
2 *organization* which was filed with the State Board of Equalization
3 after January 1, 1978, but on or before January 1, 1979. The local
4 agencies shall determine by resolution the amount of property tax
5 revenues to be exchanged between and among the affected agencies
6 and notify the auditor of the determination.

7 (g) For the purpose of determining the amount of property tax
8 to be allocated in the 1979–80 fiscal year and each fiscal year
9 thereafter, for a city incorporation that was filed pursuant to
10 Sections 54900 to 54904, *inclusive*, after January 1, 1978, but on
11 or before January 1, 1979, the amount of property tax revenue
12 considered to have been received by the jurisdiction for the
13 1978–79 fiscal year shall be equal to two-thirds of the amount of
14 property tax revenue projected in the final local agency formation
15 commission staff report pertaining to the incorporation multiplied
16 by the proportion that the total amount of property tax revenue
17 received by all jurisdictions within the county for the 1978–79
18 fiscal year bears to the total amount of property tax revenue
19 received by all jurisdictions within the county for the 1977–78
20 fiscal year. Except, however, in the event that the final commission
21 report did not specify the amount of property tax revenue projected
22 for that incorporation, the commission shall by October 10,
23 determine pursuant to Section 54790.3 of the Government Code
24 the amount of property tax to be transferred to the city.

25 The provisions of this subdivision shall also apply to the
26 allocation of property taxes for the 1980–81 fiscal year and each
27 fiscal year thereafter for incorporations approved by the voters in
28 June 1979.

29 (h) For the purpose of the computations made pursuant to this
30 section, in the case of a district formation that was filed pursuant
31 to Sections 54900 to 54904, *inclusive*, of the Government Code
32 after January 1, 1978, but before January 1, 1979, the amount of
33 property tax to be allocated to the district for the 1979–80 fiscal
34 year and each fiscal year thereafter shall be determined pursuant
35 to Section 54790.3 of the Government Code.

36 (i) For the purposes of the computations required by this chapter,
37 in the case of a jurisdictional change of *organization*, other than a
38 change requiring an adjustment by the auditor pursuant to
39 subdivision (a), the auditor shall adjust the allocation of property
40 tax revenue determined pursuant to Section 96 or 96.1 or its

1 predecessor section, or the annual tax increment determined
2 pursuant to Section 96.5 or its predecessor section, for each local
3 school district, community college district, or county
4 superintendent of schools whose service area or service
5 responsibility would be altered by the jurisdictional change *of*
6 *organization*, as determined as follows:

7 (1) The governing body of each district, county superintendent
8 of schools, or county whose service areas or service responsibilities
9 would be altered by the change shall determine the amount of
10 property tax revenues to be exchanged between and among the
11 affected jurisdictions. This determination shall be adopted by each
12 affected jurisdiction by resolution. For the purpose of negotiation,
13 the county auditor shall furnish the parties and the county board
14 of education with an estimate of the property tax revenue subject
15 to negotiation.

16 (2) In the event that the affected jurisdictions are unable to agree,
17 within 60 days after the effective date of the jurisdictional change
18 *of organization*, and if all the jurisdictions are wholly within one
19 county, the county board of education shall, by resolution,
20 determine the amount of property tax revenue to be exchanged. If
21 the jurisdictions are in more than one county, the State Board of
22 Education shall, by resolution, within 60 days after the effective
23 date of the jurisdictional change *of organization*, determine the
24 amount of property tax to be exchanged.

25 (3) Upon adoption of any resolution pursuant to this subdivision,
26 the adopting jurisdictions or State Board of Education shall notify
27 the county auditor who shall make the appropriate adjustments as
28 provided in subdivision (a).

29 (j) For purposes of subdivision (i), the annexation by a
30 community college district of territory within a county not
31 previously served by a community college district is an alteration
32 of service area. The community college district and the county
33 shall negotiate the amount, if any, of property tax revenues to be
34 exchanged. In these negotiations, there shall be taken into
35 consideration the amount of revenue received from the timber
36 yield tax and forest reserve receipts by the community college
37 district in the area not previously served. In no event shall the
38 property tax revenue to be exchanged exceed the amount of
39 property tax revenue collected prior to the annexation for the
40 purposes of paying tuition expenses of residents enrolled in the

1 community college district, adjusted each year by the percentage
2 change in population and the percentage change in the cost of
3 living, or per capita personal income, whichever is lower, less the
4 amount of revenue received by the community college district in
5 the annexed area from the timber yield tax and forest reserve
6 receipts.

7 (k) At any time after a jurisdictional change *of organization* is
8 effective, any of the local agencies party to the agreement to
9 exchange property tax revenue may renegotiate the agreement with
10 respect to the current fiscal year or subsequent fiscal years, subject
11 to approval by all local agencies affected by the renegotiation.

12 SEC. 6. Section 99.01 of the Revenue and Taxation Code is
13 amended to read:

14 99.01. (a) For the purposes of Section 99, in the case of a
15 jurisdictional change *of organization* that will result in a special
16 district providing one or more services to an area where those
17 services have not been previously provided by any local agency,
18 the following shall apply:

19 (1) The special district referred to in this subdivision and each
20 local agency that receives an apportionment of property tax revenue
21 from the area shall be considered local agencies whose service
22 area or service responsibility will be altered by the jurisdictional
23 change *of organization*.

24 (2) The exchange of property tax among those local agencies
25 shall be limited to property tax revenue from the annual tax
26 increment generated in the area subject to the jurisdictional change
27 *of organization* and attributable to those local agencies.

28 (3) Notwithstanding the provisions of paragraph (5) of
29 subdivision (b) of Section 99, any special district affected by the
30 jurisdictional change *of organization* may negotiate on its own
31 behalf, if it so chooses.

32 (4) If a special district involved in the negotiation (other than
33 the district which will provide one or more services to the area
34 where those services have not been previously provided) fails to
35 adopt a resolution providing for the exchange of property tax
36 revenue, the board of supervisors of the county in the area subject
37 to the jurisdictional change *of organization* is located shall
38 determine the exchange of property tax revenue for that special
39 district.

1 (b) The provisions of subdivisions (a), (b), (c), (d), and (j) of
2 Section 99 not in conflict with this section shall apply. The
3 jurisdictional changes of *organization* described in subdivisions
4 (e), (f), (g), (h), and (i) of Section 99 shall not be affected by the
5 provisions of this section.

6 SEC. 7. Section 99.03 of the Revenue and Taxation Code is
7 amended to read:

8 99.03. (a) For the purposes of Section 99, in the case of a
9 jurisdictional change of *organization* that results in a qualifying
10 city, as defined in Section 98, providing its own fire protection
11 services in accordance with Section 25643 of the Government
12 Code in lieu of the county providing those services, the negotiated
13 exchange of property tax revenues between the county and the
14 qualifying city pursuant to subdivision (c) of Section 99 as a result
15 of that jurisdictional change of *organization* may also provide for
16 a negotiated adjustment in the amount of property tax revenue
17 distributed by the auditor to the qualifying city in accordance with
18 Section 98. The negotiated adjustment may be made in any amount
19 that does not exceed the amount of property tax revenue exchanged
20 between the county and the qualifying city.

21 (b) This section applies only to exchanges of property tax
22 revenue affecting the County of Riverside and qualifying cities
23 within that county.

24 SEC. 8. Section 99.2 of the Revenue and Taxation Code is
25 amended to read:

26 99.2. No amendment made by any chapter of the Statutes of
27 1980, or any year thereafter, to Section 99 of the Revenue and
28 Taxation Code shall be construed, except as expressly provided
29 therein, to apply to a jurisdictional change of *organization* initiated,
30 pursuant to the applicable provisions of law governing those
31 jurisdictional changes of *organization*, prior to the effective date
32 of the amendment. The provisions of Section 99 of the Revenue
33 and Taxation Code in effect at the time the jurisdictional change
34 of *organization* is initiated shall govern the procedures for, and
35 exchange of, property tax revenues between local agencies whose
36 service area or service responsibility would be altered by that
37 jurisdictional change of *organization*, provided that there shall be
38 no duty to impound any property tax revenues.

O